

# Managed Services — if not now, then when?

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## Managed services take off as businesses transform while dealing with the unexpected

Organisations of all sizes and in all industries have been under even greater pressure due to the shifting business environment. This requires new IT strategies and models to be implemented within IT departments and within the service providers supporting them:

- **Customer-centricity is critical.** Companies need to meet customers' continuously changing demands and foresee shifts in preferences while still staying in touch with loyal but traditional clients. For some time now B2C businesses have recognised the importance of putting the customer at the core and continuing to invest. Many B2B businesses also recognise they must invest in technology to improve customer experience.
- **Operational efficiency and cost reduction are a priority — when investments are made, ROI must be quick.** This is particularly true in IT, where leaders expect new technologies to deliver on their promise quickly.
- **Due to budget limitations, every LOB, including IT, must deliver more with less — managers are expected to increase output but not necessarily add resources.** Digital transformation is expected to proceed and day-to-day operations continue without significant investments.
- **Building a competitive advantage has become increasingly difficult.** This requires deep insight, advanced data analytics and a highly trained talent pool. Meanwhile, there is the constant threat that a new competitor could appear and move the goal posts.
- **Regulatory pressures are rising.** Legal requirements are becoming ever more complex, especially for companies operating across multiple industries or geographies.

The economic and social impact of the lockdown has accelerated many of these trends. Organisations realise they must urgently address these issues and that they might need to fundamentally rethink the way they operate. They must transform, not only by implementing new technologies, but in a wider sense, recreating their entire business model to become more agile and resilient. For some businesses, only change at this fundamental level will be enough to help them thrive in the new normal.

Adopting managed services, if done wisely and with the right partners, can play a key role in accelerating transformation. An IDC survey in April 2020 showed that **more than 70% of UK companies plan to maintain or even increase their spending on managed services** that offer:

- **Greater access to innovation.** Partnering with the right managed service provider (MSP) can offer more than just day-to-day operational support — it can provide deeper industry insights, operational development expertise and knowledge that can serve as a starting

point for strategic planning. Moreover, letting MSPs carry out tasks that do not differentiate your business but take up managers' time will free up management headspace for strategic thinking and innovation.

- **Rapid ROI.** It may sound basic, but it can be a gamechanger — using managed services helps to minimise upfront cost and free up capital. Organisations can use services in a more flexible, consumption-based model. Managed service contracts can be extended to increasingly high-value services and build a deeper partnership where knowledge and technology can be transferred from an MSP to a customer. By extending their access to managed services, clients can access new capabilities without investing the money and time they would need to build these independently.
- **A chance to be bold.** Many companies see challenging economic conditions not as a justification to keep their heads low, but as an opportunity to take daring decisions and try new things. For the bold, a crisis can offer exciting new opportunities. Even the boldest, however, need to be confident that their operations are safe and comply with regulations. Customers need to find a trusted MSP that will ensure regulatory compliance and carry this burden for them. Managed service partnerships also enable quick scaling of your operations to let you adjust quickly to shifting business conditions.
- **Access to resources and talent.** Today's world has highlighted the importance of enhancing operations with digital tools and capabilities. But many businesses lack well-trained talent and need to develop digital capacities in-house, often from scratch. Retaining skilled digital experts is also expensive and effort-intensive. Partnering with MSPs offers customers immediate access to solutions that already have in-built technologies such as next-gen cybersecurity, artificial intelligence or machine learning, cloud-based architecture or intelligent process automation. More importantly, these partnerships also offer MSPs' technical expertise when it comes to using the new solutions. This is invaluable at a time when many organisations are struggling with an IT talent shortage.
- **New business value creation.** When taken a step further, managed service provisioning can create opportunities for customers to connect to an array of new partners. MSPs can act as a hub to connect customers with their ecosystem of partners. These ecosystems can be hubs for innovation, helping customers to build valuable solutions.

There's an old saying that "nothing is certain except death and taxes". This still holds true, but we can add a third element — change. In a world of constant change and unexpected challenges, companies must be able to proactively respond by building resiliency, ensuring agility and focusing on the core to differentiate their operations.

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